

ANNUAL REPORT
of the
✓
DETROIT AND MACKINAC
RAILWAY COMPANY



FOR THE FISCAL YEAR ENDED DECEMBER 31st
1936

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DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG	Ridgefield, Conn.
DAVID H. PIERSON	Elizabeth, N. J.
JAMES BROWN MABON	New York, N. Y.
JAMES McNEIL	New York, N. Y.
EDWIN G. MERRILL	New York, N. Y.

OFFICERS

HENRY K. McHARG, <i>President</i>	Ridgefield, Conn.
C. A. PINKERTON, <i>Vice-President and General Manager</i>	Tawas City, Michigan
JAMES McNEIL <i>Secretary and Treasurer</i>	New York, N. Y.
GEORGE J. BERGEVIN, <i>Auditor</i>	Tawas City, Michigan
N. W. SALSBERY, <i>Asst. Treasurer and Asst. Secretary</i>	Tawas City, Michigan
R. W. HICKEY, <i>Purchasing Agent</i>	Tawas City, Michigan
CARL R. HENRY, <i>General Counsel</i>	Alpena, Michigan
A. S. MATTESON, <i>Traffic Manager</i>	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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ANNUAL MEETING

The last Tuesday in April in each year is the date for Annual Meeting of Stockholders.

General Office (in Michigan)	Tawas City, Michigan
General Office (outside of Michigan).....	110 William Street, New York, N. Y.

COLEGROVE, MURPHY & ANGELL
CERTIFIED PUBLIC ACCOUNTANTS
LAFAYETTE BUILDING
DETROIT

ALBERT M. COLEGROVE, C. P. A.
HARRY L. MURPHY, C. P. A.
C. ROBERT ANGELL, C. P. A.
W. ALFRED DEBO, Attorney

February 12, 1937

Mr. George J. Bergevin, Auditor,
Detroit and Mackinac Railway Company,
Tawas City, Michigan.

Dear Sir:

Pursuant to your request, we have made a cash audit of the accounts of the Detroit and Mackinac Railway Company for the year ended December 31, 1936, and herewith present statements showing the result of the operation of your company for the period under review.

We certify that, according to the books and records, the attached balance sheet reflects the true financial condition of your company as at December 31, 1936, and the accompanying schedules are a correct expression of the results of your operations for the year ended on that date.

Very truly yours,

COLEGROVE, MURPHY & ANGELL,
By Harry L. Murphy,
Certified Public Accountant.

REPORT OF THE
VICE-PRESIDENT TO THE STOCK AND BONDHOLDERS
OF THE
DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Mich., February 25, 1937.

To the Stockholders and Bondholders of the Detroit and Mackinac Railway Company:

Freight Revenue increased \$141,290.00 while Passenger and other miscellaneous revenue increased \$7,688.00. The Total Railway Operating Revenue increase for the year is \$148,978.00, or 22.76 % compared with 1935. Operating Expenses for the same period increased \$56,682.00, or 10.33 %. The ratio of Operating Expenses to Operating Revenue was 75.34 %.

During the year we repaired and equipped with cast steel truck frames fifty of our steel underframe box cars, and have seventy-five more of these cars on ~~next~~ year's program, while the remaining one hundred box cars will be repaired and equipped with truck frames in 1938, if revenue continues to improve. The Association of American Railroads M. C. B. Rules require all freight cars equipped with cast steel truck side frames by January 1, 1938. Freight cars of all wood construction will not be accepted in interchange between roads after April 1, 1937, thereby removing from further use in such service all of our wooden gondola cars. The urgent need for equipment repairs is shown in the debit balance of \$45,000.00 in our equipment rentals. On the Rogers City Branch we replaced 4.5 miles of sixty pound rail with seventy and eighty-five pound relaying rail. We were able to take care of a few of the more important deferred maintenance items during the year due to the slight improvement in our revenues.

Wages were increased 5 % July 1, 1935 and an additional 5 % on January 1, 1937, which together with added expenses arising from the Railroad Retirement Act and the Social Security Act will increase Operating Expenses approximately \$62,000.00 annually. Usually such large additions to Operating Expenses correspondingly bring about increased revenues, but in this instance, they add nothing to income and must be considered straight additional expenses.

While we have succeeded during the year in overcoming some of our problems resulting from additional expenses pointed out above, there are still many more problems ahead of us that require continuous and greater effort to meet.

I wish to express my appreciation for the consideration and support our patrons have extended to us and for the faithful and efficient service of the officers and employees during the year.

The usual tables for your information follow.

Respectfully submitted,

C. A. PINKERTON,

Vice-President and General Manager.

DETROIT AND MACKINAC RAILWAY COMPANY

OFFICE OF AUDITOR

Tawas City, Mich., Feb. 12, 1937.

HENRY K. McHARG, ESQ.,
President.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31st, 1936, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by years.

TABLE E-1—Net Revenue from Railway Operations and Tax Accruals by years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1935 and 1936.

TABLE I—Statistics for years 1935 and 1936.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during year.

Respectfully,

GEORGE J. BERGEVIN,

Auditor.

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1936, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1935, SHOWING INCREASE OR DECREASE

ASSETS

	Items	Total	Increase	Decrease
<i>Investments:</i>		\$7,387,846.46		
Investment in Road and Equipment.....	\$7,335,869.31			\$137,796.54
Miscellaneous Physical Property.....	42,905.39			925.00
Investments in Affiliated Companies.....	9,011.76			7,885.33
Deposits in Lieu of Mortgage Property Sold.....	60.00			
<i>Current Assets:</i>		540,044.23		
Cash.....	294,997.72		\$94,392.25	
Special Deposits—J. P. Morgan Coupon Account.....	3,060.00		660.00	
Traffic and Car Service Balances Receivable.....	3,319.24		1,217.91	
Net Balances Receivable from Agents and Conductors.....	23,144.96		14,012.87	
Miscellaneous Accounts Receivable.....	28,173.84		2,134.14	
Material and Supplies.....	187,092.82		5,865.64	
Other Current Assets.....	255.65		129.88	
<i>Deferred Assets:</i>		662.49		
Working Fund Advances.....	567.54			
Other Deferred Assets.....	94.95			211.74
<i>Unadjusted Debits:</i>		9,520.03		
Insurance Premiums Paid in Advance.....	1,648.63			1,907.56
Other Unadjusted Debits.....	7,871.40			827.43
Total.....		\$7,938,073.21		\$ 31,140.91

TABLE A—(Continued)

LIABILITIES				
	Items	Total	Increase	Decrease
<i>Capital Stock:</i>				
Common Stock	\$2,000,000.00	\$2,950,000.00		
Preferred Stock	950,000.00			
<i>Grants in Aid of Construction:</i>		313.10		
<i>Long Term Debt:</i>		2,734,000.00		
First Lien Bonds	1,484,000.00			
Mortgage Bonds	\$1,750,000.00			
Pledged as Collateral	500,000.00			
Outstanding	1,250,000.00	632,852.56		
<i>Current Liabilities:</i>				
Loans and Bills Payable	250,000.00		\$ 7,142.88	
Traffic and Car Service Balances Payable	60,667.25		3,750.75	
Audited Accounts and Wages Payable	43,995.93		13,283.68	
Miscellaneous Accounts Payable	16,004.26		10,660.00	
Interest Matured Unpaid	246,724.48			
Unmatured Interest Accrued	9,946.67		1,731.76	
Other Current Liabilities	5,513.97			
<i>Unadjusted Credits:</i>		1,015,935.45		
Tax Liability	28,436.90		7,592.91	
Accrued Depreciation—Road	133,576.04			
Accrued Depreciation—Equipment	880,639.88			\$82,042.68
Other Unadjusted Credits	3,282.63			2,963.56
<i>Corporate Surplus:</i>		604,972.10		
Additions to Property through Income and Surplus	1,856,202.32			
Profit and Loss—Debit Balance	1,251,230.22		9,703.35	
Total		\$7,938,073.21		\$31,140.91

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT, DECEMBER 31, 1936, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1935

	1936	1935	Increase	Decrease
Freight	\$ 690,506.05	\$ 549,215.42	\$141,290.63	
Passenger	37,276.88	31,186.47	6,090.41	
Excess Baggage	92.56	130.51		\$ 37.95
Mail	40,906.40	40,326.76	579.64	
Express	15,067.44	15,628.51		561.07
Other Passenger Train	4,059.49	3,542.51	516.98	
Milk	9,297.27	8,860.50	436.77	
Switching	86.15	7.00	79.15	
Special Service Train		10.00		10.00
Station, Train and Boat Privileges	112.20	66.29	45.91	
Parcel Room	7.70	4.40	3.30	
Storage—Freight	417.29	293.08	124.21	
Storage—Baggage85		.85
Demurrage	816.00	517.00	299.00	
Telegraph and Telephone	330.77	295.20	35.57	
Rents of Buildings and Other Property	4,058.35	3,943.19	115.16	
Miscellaneous	445.77	470.54		24.77
Joint Facility—Cr.	14.48	10.38	4.10	
Joint Facility—Dr.	10.41	2.70	7.71	
Total Operating Revenues	\$ 803,484.39	\$ 654,505.91	\$148,978.48	
OPERATING EXPENSES				
Maintenance of Way and Structures	\$ 126,113.55	\$ 120,962.31	\$ 5,151.24	
Maintenance of Equipment	140,203.54	119,667.36	20,536.18	

TABLE B—(Continued)

	1936	1935	Increase	Decrease
Traffic				
Transportation—Rail Line	\$ 10,954.43	\$ 10,529.21	\$ 425.22	
Miscellaneous Operations	286,450.57	263,109.23	23,341.34	
General	124.20	137.34		\$ 13.14
Transportation for Investment—Cr.	42,061.62	34,334.76	7,726.86	
	602.12	116.64	485.48	
Total Operating Expenses	\$ 605,305.79	\$ 548,623.57	\$ 56,682.22	
Net Operating Revenue	198,178.60	105,882.34	92,296.26	
Railway Tax Accruals	21,118.51	15,247.76	5,870.75	
Uncollectible Railway Revenues		62.40		62.40
Railway Operating Income	\$ 177,060.09	\$ 90,572.18	\$ 86,487.91	
Income from Lease of Road	1,792.05	2,048.33		256.28
Miscellaneous Rent Income	570.00	460.00	110.00	
Miscellaneous Non-Operating Physical Property	279.70	186.62	93.08	
Equipment Rents	† 45,009.02	† 26,023.86		18,985.16
Joint Facility Rents	† 1,308.77	† 1,005.07		303.70
Total Income	\$ 133,384.05	\$ 66,238.20	\$ 67,145.85	
Miscellaneous Rents	30.00	30.00		
Miscellaneous Tax Accruals	790.53	853.30		
Interest on Funded Debt	109,360.00	108,346.68	1,013.32	
Interest on Unfunded Debt	10,074.38	10,017.07	57.31	
Miscellaneous Income Charges	1,112.20	151.47	960.73	
Income Balance Transferred to Profit and Loss	\$ 12,016.94	\$* 53,160.32	\$ 65,177.26	
† Debit. * Deficit.				

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1936	\$ 1,260,933.57	
Credit Balance Transferred from Income		\$ 12,016.94
Miscellaneous Credits		149.34
Debits from Retired Road and Equipment.....	1,868.80	
Miscellaneous Debits	594.13	
Debit Balance Carried to Balance Sheet.....		1,251,230.22
	<u>\$ 1,263,396.50</u>	<u>\$ 1,263,396.50</u>

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	*When Payable		
First Lien	\$1,484,000.00	4%	June and December	\$ 59,360.00	June 1, 1995
Mort.	1,250,000.00	4%	June and December	50,000.00	June 1, 1995
	<u>\$2,734,000.00</u>			<u>\$109,360.00</u>	

*The date of Interest Payment on coupons due December, 1933, June and December, 1934, and June, 1935, has been extended to January 1, 1938. The Company paid the interest coupons due December, 1935, June and December, 1936.

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1934	Dec. 31, 1935	Dec. 31, 1936
Cash	\$ 128,295.72	\$ 200,605.47	\$ 294,997.72
Special Funds	120.00	2,400.00	3,060.00
Due from Station Agents and Others	34,153.93	35,171.79	51,318.80
Material and Supplies	160,648.39	181,227.18	187,092.82
Prepaid and Deferred Charges	5,765.09	4,430.42	2,311.12
Other Unadjusted Debits	8,384.15	8,824.60	8,127.05
Totals	\$ 337,367.28	\$ 432,659.46	\$ 546,907.51
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls....	\$ 32,134.19	\$ 40,245.18	\$ 43,995.93
Notes Payable	250,000.00	250,000.00	250,000.00
Accrued Taxes, Interest and Traffic Balances	247,248.79	324,780.97	363,974.29
Totals	\$ 529,382.98	\$ 615,026.15	\$ 657,970.22
Net Assets	\$* 192,015.70	\$* 182,366.69	\$* 111,062.71
CAPITAL ASSETS			
Cost of Road	\$ 6,188,934.56	\$ 6,039,352.96	\$ 6,048,025.28
Cost of Equipment	1,053,016.47	1,434,312.89	1,287,844.03
Miscellaneous Physical Property....	47,955.39	43,830.39	42,905.39
Investments in Affiliated Companies	20,276.50	16,897.09	9,011.76
Deposits for Property Sold		60.00	60.00
Totals	\$ 7,310,182.92	\$ 7,534,453.33	\$ 7,387,846.46
REPRESENTING			
Bonds Issued—First Lien.....	\$ 1,500,000.00	\$ 1,484,000.00	\$ 1,484,000.00
Bonds Issued—Mortgage	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Reserves	757,916.03	1,066,258.60	984,215.92
Grants in Aid of Construction.....	313.10	313.10	313.10
Other Unadjusted Credits	1,310.95	6,246.19	3,282.63
Additions to Property Through Income and Surplus	1,856,202.32	1,856,202.32	1,856,202.32
Surplus	† 1,197,575.18	† 1,260,933.57	† 1,251,230.22
Totals	\$ 7,118,167.22	\$ 7,352,086.64	\$ 7,276,783.75

† Deficit.

* Credit.

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

REVENUES	1932	Per	1933	Per	1934	Per	1935	Per	1936	Per
	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.
Freight.....	\$639,583.75	84.16	\$494,230.91	82.10	\$530,785.20	83.86	\$549,215.42	83.91	\$690,506.05	85.94
Passenger.....	35,248.69	4.64	30,037.41	4.99	31,770.32	5.02	31,186.47	4.76	37,276.88	4.64
Mail.....	41,335.02	5.44	39,740.25	6.60	39,781.41	6.29	40,326.76	6.17	40,906.40	5.09
Express.....	24,502.07	3.23	20,821.82	3.46	12,637.12	2.00	15,628.51	2.39	15,067.44	1.88
Milk.....	8,402.13	1.11	7,559.76	1.26	8,119.51	1.28	8,860.50	1.35	9,297.27	1.16
Other Sources.....	10,823.17	1.42	9,570.62	1.59	9,810.80	1.55	9,288.25	1.42	10,430.35	1.29
Total.....	\$759,894.83	100 %	\$601,960.77	100 %	\$632,904.36	100 %	\$654,505.91	100 %	\$803,484.39	100 %
EXPENSES										
Maint. Way and Structures.....	136,571.16	22.51	115,187.24	22.63	114,118.14	22.19	120,962.31	22.05	126,113.55	20.83
Maintenance Equipment.....	121,995.50	20.11	88,348.68	17.36	79,707.26	15.50	119,667.36	21.81	140,203.54	23.16
Traffic.....	15,102.75	2.49	11,661.73	2.29	10,310.90	2.00	10,529.21	1.92	10,954.43	1.81
Transportation.....	284,184.48	46.84	249,333.78	48.99	254,831.14	49.55	263,109.23	47.95	286,450.57	47.33
Miscellaneous Operations.....					74.84	.01	137.34	.03	124.20	.02
General.....	49,117.98	8.09	44,921.26	8.83	55,375.55	10.76	34,334.76	6.26	42,061.62	6.95
Transportation for Investment—Cr.....	183.87	.04	527.97	.10	85.10	.01	116.64	.02	602.12	.10
Total.....	\$606,788.00	100 %	\$508,924.72	100 %	\$514,332.73	100 %	\$548,623.57	100 %	\$605,305.79	100 %
Net Earnings.....	153,106.83	20.15	93,036.05	15.45	118,571.63	18.73	105,882.34	16.18	198,178.60	24.66
Taxes.....	50,001.27	6.58	42,747.21	7.10	1,733.27	.27	15,247.76	2.33	21,118.51	2.63
Net Earnings, less Taxes.....	\$103,105.56	13.57	\$ 50,288.84	8.35	\$116,838.36	18.46	\$ 90,634.58	13.85	\$177,060.09	22.03

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Revenue	Railway Tax Accruals	Net Revenue Less Tax Accruals
1925.....	\$1,697,184.03	\$1,507,872.41	\$189,311.62	\$121,804.29	\$ 67,507.33
1926.....	1,625,950.14	1,448,330.89	177,619.25	112,759.60	64,859.65
1927.....	1,626,388.27	1,395,680.04	230,708.23	121,621.29	109,086.94
1928.....	1,668,742.83	1,238,996.90	429,745.93	130,616.03	299,129.90
1929.....	1,586,301.94	1,274,010.74	312,291.20	103,237.43	209,053.77
1930.....	1,082,774.02	959,900.99	122,873.03	91,649.69	31,223.34
1931.....	1,000,892.10	734,866.26	266,025.84	70,731.10	195,294.74
1932.....	759,894.83	606,788.00	153,106.83	50,001.27	103,105.56
1933.....	601,960.77	508,924.72	93,036.05	42,747.21	50,288.84
1934.....	632,904.36	514,332.73	118,571.63	* 1,733.27	116,838.36
1935.....	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936.....	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09

*Includes \$26,714.43 Credit Adjustment.

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1936 COMPARED WITH 1935

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 9,588.23		\$ 1,132.58
Roadway Maintenance	8,752.25		1,608.73
Bridges, Trestles and Culverts	1,365.63	\$ 135.81	
Ties	21,712.36	293.75	
Rails	1,245.54		625.27
Other Track Material	7,024.74		1,788.06
Ballast	207.18		320.84
Track Laying and Surfacing	43,859.33	1,102.77	
Fences, Snowsheds and Signs	1,021.64		1,079.61
Station and Office Buildings	1,335.93	852.40	
Roadway Buildings	* 14.87		1,449.44
Water Stations	786.01		249.34
Fuel Stations	1,240.85	990.12	
Shops and Enginehouses	7,020.11	6,249.53	
Telegraph and Telephone Lines	774.70	189.92	
Signals and Interlockers	5,319.74	4,657.74	
Power Distribution Systems			1.36
Miscellaneous Structures			3.73
Power Plants	20.09	20.09	
Power Transmission Systems	51.45	51.45	
Roadway Machines	1,941.45		68.68
Small Tools and Supplies	2,054.53	142.54	
Removing Snow, Ice and Sand	7,734.29	2,242.97	
Public Improvements, Maintenance	1,059.24	452.57	
Injuries to Persons	215.65		3,458.60
Insurance	1,183.27	19.35	
Stationery and Printing	270.37	12.47	
Maintaining Joint Tracks, Yards, and Other Facilities—Dr.	888.92		665.22
Maintaining Joint Tracks, Yards, and Other Facilities—Cr.	545.08		189.22
Total	\$126,113.55	\$5,151.24	

*Credit.

TABLE F—(Continued)
MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 10,063.88	\$ 572.45	
Shop Machinery	582.53	109.12	
Power Plant Machinery	601.05	468.60	
Steam Locomotives—Repairs	35,486.05	6,748.83	
Other Locomotives—Repairs	4.84	2.52	
Freight Train Cars—Repairs	34,584.79	6,530.58	
Passenger Train Cars—Repairs	17,778.47	6,863.48	
Work Equipment—Repairs	2,143.76	1,871.24	
Miscellaneous Equipment—Repairs	60.92		\$ 7.91
Equipment—Retirements	3,892.07	543.20	
Equipment—Depreciation	34,536.15		2,761.57
Injuries to Persons	281.97	106.97	
Insurance	634.57		54.88
Stationery and Printing	252.86		115.59
Other Expenses	386.15	65.65	
Maintaining Joint Equipment at Terminals Dr.	146.24		76.70
Maintaining Joint Equipment at Terminals Cr.	1,232.76	329.81	
Total	\$140,203.54	\$20,536.18	

TRAFFIC

Superintendence	\$ 6,170.95	\$ 250.22	
Advertising	612.61	417.67	
Traffic Associations	1,535.32		\$ 139.34
Insurance	11.35		
Stationery and Printing	2,624.20		103.33
Total	\$ 10,954.43	\$ 425.22	

TRANSPORTATION—RAIL LINE

Superintendence	\$ 15,461.35	\$ 455.98	
Dispatching Trains	6,174.88	239.21	
Station Employees	47,134.65	2,143.00	
Weighing, Inspection and Demurrage Bureaus	222.98		\$ 160.86
Station Supplies and Expenses	3,288.85	379.45	
Yardmaster and Yard Clerks	6,744.46	155.22	
Yard Conductors and Brakemen	8,185.67	1,594.63	
Yard Enginemen	6,750.80	1,002.09	
Fuel for Yard Locomotives	7,858.19	131.72	
Water for Yard Locomotives	700.60	93.56	
Lubricants for Yard Locomotives	263.39	53.57	
Other Supplies for Yard Locomotives	88.01	38.16	
Enginehouse Expenses—Yard	3,544.86	356.67	
Yard Supplies and Expenses	847.88	109.19	
Train Enginemen	29,372.00	2,589.27	
Train Motormen	5,416.31	899.10	
Fuel for Train Locomotives	59,521.59	14,768.20	
Water for Train Locomotives	2,563.68	273.49	
Lubricants for Train Locomotives	1,527.92	75.13	
Other Supplies for Train Locomotives	473.15		39.17
Enginehouse Expenses—Train	19,795.57		51.93
Trainmen	37,989.40	5,939.95	

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Supplies and Expenses	\$ 9,664.70		\$ 5,915.74
Crossing Protection	232.85	\$ 45.63	
Drawbridge Operation	2,559.71		229.50
Telegraph and Telephone Operation	2,839.96	202.96	
Stationery and Printing	2,783.66	561.46	
Other Expenses	67.71		73.70
Insurance	407.28	39.53	
Clearing Wrecks	359.99		2.99
Damage to Property	25.00	25.00	
Damage to Live Stock on Right of Way.....	85.39	48.17	
Loss and Damage—Freight	870.94		528.14
Loss and Damage—Baggage			35.62
Injuries to Persons	1,805.41		585.83
Operating Joint Yards and Terminals—Dr....	7,258.96		87.93
Operating Joint Yards and Terminals—Cr....	6,090.55	1,303.19	
Operating Joint Tracks and Facilities—Dr..	1,054.09	109.40	
Operating Joint Tracks and Facilities—Cr..	1,400.72		26.20
Total	\$286,450.57	\$23,341.34	

MISCELLANEOUS OPERATIONS

Dining and Buffet Service	\$ 124.20	\$ 13.14
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GENERAL

Salaries and Expenses of General Officers....	\$ 9,609.08	\$ 275.62
Salaries and Expenses of Clerks and Attendants	17,184.85	822.54
General Office Supplies and Expenses	929.24	125.28
Law Expenses	3,877.33	1,421.75
Insurance	118.63	\$ 12.06
Pensions	7,998.00	6,281.84
Stationery and Printing	1,755.47	380.14
Other Expenses	589.02	1,568.25
Total	\$ 42,061.62	\$ 7,726.86

SUMMARY

Maintenance of Way and Structures.....	\$126,113.55	\$ 5,151.24
Maintenance of Equipment	140,203.54	20,536.18
Traffic	10,954.43	425.22
Transportation—Rail Line	286,450.57	23,341.34
Miscellaneous Operations	124.20	\$ 13.14
General	42,061.62	7,726.86
Transportation for Investment—Cr.....	602.12	485.48
Total Operating Expenses.....	\$605,305.79	\$56,682.22

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1936

MAIN LINE

North Bay City to Cheboygan	195.10
One-half Undivided Ownership—Foss to North Bay City.....	.26

BRANCHES

Omer to Au Gres	7.95
National City to Prescott	12.26
Alabaster Junction to Alabaster	4.27
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
Total	49.19
Total Main Line and Branches	244.55
Yard Tracks and Sidings	62.11
Total, all Tracks (miles)	306.66

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

<i>Products of Agriculture:</i>	1936 Tons	Per Cent	1935 Tons	Per Cent
Grain	973	.2	1,572	.3
Flour	2,427	.4	2,022	.4
Other Mill Products	222		283	.1
Hay and Straw	127		28	
Potatoes	13,234	2.0	19,790	4.3
Fruits and Vegetables	5,628	.8	6,411	1.4
Sugar Beets	16,906	2.5	12,113	2.7
Other Products of Agriculture	137		488	.1
Totals	39,654	5.9	42,707	9.3

TABLE H—(Continued)

<i>Animals and Products:</i>	1936 Tons	Per Cent	1935 Tons	Per Cent
Live Stock	1,201	.2	881	.2
Wool	53		75	
Hides and Leather	1,117	.2	1,849	.4
Other Animals and Products	397		491	.1
Totals	2,768	.4	3,296	.7
<i>Products of Mines:</i>				
Anthracite Coal	625	.1	184	
Bituminous Coal	50,431	7.6	35,702	7.8
Coke	908	.1	1,062	.2
Clay, Gravel, Sand and Stone	327,739	49.2	204,454	44.6
Petroleum—Crude	5,607	.8		
Other Products of Mines	3,351	.5	736	.2
Totals	388,661	58.3	242,138	52.8
<i>Products of Forests:</i>				
Pulp Wood	19,482	2.9	10,027	2.2
Lumber, Shingles and Lath	9,949	1.5	11,684	2.5
Other Products of Forests	4,408	.7	3,649	.8
Totals	33,839	5.1	25,360	5.5
<i>Manufactures and Miscellaneous:</i>				
Refined Petroleum and its Products.....	36,852	5.5	35,743	7.8
Sugar	223		322	.1
Rails and Fastenings	843	.1	510	.1
Bar and Sheet Iron, Structural Iron, and Iron Pipe	2,924	.5	978	.2
Castings, Machinery and Boilers	1,954	.3	1,222	.3
Cement	18,009	2.7	6,139	1.3
Brick and Artificial Stone	2,210	.3	1,423	.3
Lime and Plaster	24,094	3.6	19,182	4.2
Building Paper and Prepared Roofing Materials	1,572	.3	1,211	.3
Beverages	64		15	
Fertilizers (all kinds)	855	.1	817	.2
Chemicals and Explosives	966	.2	881	.2
Canned Goods (all canned food products).....	658	.1	699	.2
Paper Bags and Wrapping Paper	10,687	1.6	6,924	1.5
Paperboard, Pulpboard and Wallboard	5,894	.9	3,656	.8
Other Manufactures and Miscellaneous.....	81,412	12.2	52,675	11.5
Totals	189,217	28.4	132,397	29.0
All L. C. L. Freight	12,593	1.9	12,498	2.7
Grand Total, Carload and L. C. L. Traffic	666,732	100%	458,396	100%

TABLE I

DETROIT AND MACKINAC RAILWAY COMPANY

FREIGHT STATISTICS

	1936	1935
Number tons revenue freight carried.....	666,732	458,396
Number tons non-revenue freight carried.....	34,987	29,830
Total number tons of freight carried.....	701,719	488,226
Number revenue tons carried one mile.....	49,245,000	39,172,000
Number all tons carried one mile.....	52,020,000	41,385,000
Number revenue tons carried one mile, per mile of road	203,424	161,814
Number tons all freight carried one mile, per mile of road	214,888	170,955
Average distance haul of one ton revenue freight (miles)	73.86	85.45
Average distance haul of one ton all freight (miles)	74.13	84.77
Total freight revenue	\$ 690,506.05	\$ 549,215.42
Average amount received for each ton of freight	1.03566	1.19812
Average receipts, per ton, per mile.....	.01402	.01402
Freight revenue, per mile of road	2,852.39	2,268.73
Freight revenue, per train mile	4.42	4.59
Average number of revenue tons, per train mile	315.38	327.14
Average number of all tons, per train mile.....	333.15	345.63
Average number of all tons, per loaded car mile	25.6	23.8
Average number of cars, per train mile.....	20.9	23.4

PASSENGER STATISTICS

Number of passengers carried	24,574	15,354
Number of passengers carried one mile	1,970,600	1,118,000
Number of passengers carried one mile, per mile of road	8,140	4,618
Average distance each passenger carried (miles)	80.20	72.81
Passenger revenue	\$ 37,276.88	\$ 31,186.47
Average amount received from each passenger	1.516	2.031
Average receipts, per passenger, per mile.....	.01892	.02789
Total passenger train earnings	106,700.00	99,676.00
Passenger earnings, per mile of road	440.76	411.74
Passenger earnings, per train mile60	.51
Average number of passengers, per train mile....	11.02	5.74

OPERATING STATISTICS

Gross revenue from operation	\$ 803,484.39	\$ 654,505.91
Gross revenue from operation, per mile of road	3,319.08	2,703.68
Operating expenses	605,305.79	548,623.57
Operating expenses, per mile of road	2,500.44	2,266.29
Operating expenses, per train mile	1.81	1.74
Net operating revenue	198,178.60	105,882.34
Net operating revenues, per mile of road.....	818.64	437.39
Ratio of expenses to earnings	75.34	83.82

TABLE J
DETROIT AND MACKINAC RAILWAY COMPANY
EQUIPMENT

	1935	1936
<i>Locomotives:</i>		
Passenger	6	6
Freight	11	11
Switching	5	5
Totals	22	22
<i>Passenger Cars:</i>		
Coaches	8	7
Cafe	1	1
Parlor	1	1
Gas Electric Combination Passenger, Baggage and Mail	2	2
Combination Passenger and Baggage	4	4
Combination Baggage and Mail	2	2
Baggage and Express Cars	18	18
Express Refrigerators	3	5
Totals	39	40
<i>Freight Cars:</i>		
Box	269	249
Flat	51	51
Coal Cars	310	151
Refrigerators	6	6
Caboose Cars	11	11
Totals	647	468
<i>In Company's Service:</i>		
Officers	1	1
Ballast	6	6
Derrick Cars	1	1
Flangers	11	11
Snow Plow	1	1
Jordan Spreader	1	1
Industrial Crane	1	1
Other Road Cars	82	78
Totals	104	100
<i>Summary:</i>		
Total Number of Locomotives Owned....	22	22
Total Number of Cars Owned	790	608

TABLE K
DETROIT AND MACKINAC RAILWAY COMPANY
STATEMENT OF TRACKS BUILT AND TAKEN UP DURING
YEAR 1936

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1855	Track No. 5-A.....	Tawas City	283
1862	Track No. 5-B.....	Calcite	1348
1864	Extend Track No. 187.....	Onaway	147
1866	Extend Track No. 224.....	Waveland	180
1867	Extend Track No. 150-B.....	Bolton	282
1869	Track No. 8-A.....	Tawas Shops	607
1871	Track No. 56-A.....	Alpena	92
1872	Track No. 8.....	Prescott	120
1873	Extend Track No. 7-A.....	Prescott	30
1874	Track No. 8-A.....	Prescott	552
Total			3641

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1856	Back End Track No. 56.....	Pinconning	170
1857	Track No. 20.....	Alpena	530
1865	North End Track No. 7.....	Tawas Shops	420.5
1865	Back End Track No. 224.....	Waveland	393
1868	North End Track No. 150-B.....	Bolton	545
Total			2058.5

SUMMARY

	Miles
Tracks Built69
Tracks Taken Up39
Net Increase30

